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**BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche
State of Louisiana
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/4/10

BAYOU BLUE FIRE PROTECTION DISTRICT
ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2009

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BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

This discussion and analysis of the Bayou Blue Fire Protection District's financial performance provides an overview of the financial activities as of and for the fiscal year ended December 31, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- The net assets increased as a result of this year's operations. Net assets of our governmental activities increased by \$175,581, or nearly 20%. As a result of this year's operations assets exceeded liabilities by \$895,748 (net assets).
- During the year, expenses were \$158,063 more than the \$25,476 generated in program revenues for governmental programs. General revenues of \$333,644 added to the program revenues made up the shortfall to end the year with revenue exceeding expenditures totaling \$175,581. This compares to last year when revenues exceeded expenses by \$133,442.
- Program expenses increased by \$60,006, or about 33%.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the Bayou Blue Fire Protection District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Bayou Blue Fire Protection District.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws.

The Bayou Blue Fire Protection District utilizes mainly the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net assets increased from \$720,167 to \$895,748, or about 20%. In comparison, last year net assets increased by \$133,442 or about 19%. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

debt covenants, enabling legislation, or other legal requirements—absorbed most of the increase this year. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis below focuses on the net assets (Table A) and changes in net assets (Table B) of the governmental-type activities.

Table A				
Condensed Statement of Net Assets				
			Dollar	Percent
	2009	2008		
Current Net Position Assets				
Capital Assets	522,203	529,199	6,996	1.3%
Current Liabilities	336,819	348,973	12,154	3.5%
Total Liabilities	466,731	412,530	(54,201)	-13.1%
Unrestricted	327,876	430,106	102,230	23.8%

Program revenues for the governmental activities increased slightly by a little over 2 percent (\$536), while expenses also increased by approximately 33 percent (\$66,006).

Table B				
Condensed Statement of Program Activities				
			Dollar	Percent
	2009	2008		
Total program expenses	\$(243,545)	\$(183,539)	\$ (60,006)	-32.7%
Net program income	(218,605)	(158,063)	60,542	-38.3%
General revenues	352,047	333,644	(18,403)	-5.5%
Beginning of the year	586,725	720,167	133,442	18.5%

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The Bayou Blue Fire Protection District uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the District is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The General Fund reported a fund balance of \$432,365. This reflects an increase of \$100,179 or 30% from last year. Total revenues for governmental funds were \$359,120, a decrease of 5% from last year. Current expenditures for governmental activities were \$93,911, a decrease of 42%. Total spent for capital outlay was \$78,141 for the purchases of a thermal imager and other machinery and equipment, including radios. Debt service expenditures remained relatively the same with a slight decrease in interest paid on leases. The result for the year was an excess of revenues over expenditures of \$100,179.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised twice during the year. Authorized budget amendments were approved as follows:

Original Budgeted Revenues	\$351,141
Amendments were made for:	
Increased Ad Valorem taxes received	4,249
Increased Intergovernmental revenue	4,005
Decreased Interest and miscellaneous	(1,843)
Total revenue amendments	6,411
Amended Budgeted Revenues	\$357,552

Original Budgeted Expenditures	\$323,090
Amendments were made for:	
Decreased current expenditures	(65,672)
Increased Capital Outlay	175,501
Total expenditure amendments	109,829
Amended Budgeted Expenditures	\$432,919

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$410,279, for governmental activities at year-end were \$529,199. This year there was \$78,141 of additions to capital assets. Depreciation of \$74,145 was recorded on capital assets. More detailed information about the capital assets is presented in Note 4 to the financial statements.

DEBT

At year-end, the Bayou Blue Fire Protection District had a principal balance on a long term debt to be repaid of \$63,557. During the year payments of \$66,354 of principal and \$5,336 of interest were applied to the prior year balance. More detailed information about the capital lease is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Highlights of next year's General Fund budget include:

Condensed Summary of Budgeted Finances

	FY 2010
Anticipated revenues	\$353,900
Expenditures:	
Current	142,977
Debt service	23,078
Capital outlay	108,000
Anticipated expenditures	274,055
Excess of expenditures	79,845
Fund Balance:	
Beginning of the year	432,365
End of the year	\$512,210

The Board intends to reserve \$25,000 for fund balance.

BAYOU BLUE FIRE PROTECTION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Bayou Blue Fire Protection District's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Harvey Parks, Sr., Chairman
Bayou Blue Fire Protection District
1870 Bayou Blue Road
Houma, LA 70364



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Bayou Blue Fire Protection District

We have audited the accompanying financial statements of the governmental activities and each major fund of the Bayou Blue Fire Protection District, a component unit of the Lafourche Parish Council as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Bayou Blue Fire Protection District. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly the financial position of the governmental activities and each major fund of the Bayou Blue Fire Protection District as of December 31, 2009, and the respective changes in financial position for the year then ended, in conformity with auditing standards generally accepted in the United States of America.

To the Commissioners of
Bayou Blue Fire Protection District
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In accordance with *Government Auditing Standards*, we have also issued a report dated May 4, 2010, on our consideration of the Bayou Blue Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Stagni & Company

Thibodaux, Louisiana
May 4, 2010



FINANCIAL SECTION

BAYOU BLUE FIRE PROTECTION DISTRICT

Statement of Net Assets

December 31, 2009

ASSETS

Cash	\$ 47,109
Investments	320,451
Ad valorem taxes receivable	52,674
Due from other governments	269,893
Miscellaneous receivables	5,716
Deposits	75,000
Prepaid Insurance	8,236
Capital Assets, net of accumulated depreciation	529,199
TOTAL ASSETS	<u>\$ 1,308,278</u>

LIABILITIES

Accounts payable	\$ 13,915
Deferred revenue	332,799
Interest payable	2,259
Long term liabilities:	
Due in one year	20,280
Due in more than one year	43,277
TOTAL LIABILITIES	<u>412,530</u>

NET ASSETS

Invested in capital assets, net of related debt	465,642
Unrestricted	430,106
TOTAL NET ASSETS	<u>\$ 895,748</u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT

Statement of Activities - Governmental Activities

For the Year Ended December 31, 2009

FUNCTIONS/PROGRAMS	Program Revenue		Net Revenue (Expense)
	Expenses	Charges for services	Operating Grants
Public safety activities:	\$ 183,539	\$ 25,476	\$ -
Total governmental activities	<u>\$ 183,539</u>	<u>\$ 25,476</u>	<u>\$ -</u>
			<u>\$ (158,063)</u>
			<u>(158,063)</u>
GENERAL REVENUES			
Ad valorem taxes			318,397
State revenue sharing			12,532
Interest earned			2,480
Miscellaneous			235
TOTAL GENERAL REVENUES			<u>333,644</u>
CHANGE IN NET ASSETS			
NET ASSETS:			175,581
Beginning of year			720,167
End of year			<u>\$ 895,748</u>

See notes to the financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT**Balance Sheet - Governmental Fund - General Fund**

December 31, 2009

ASSETS

Cash	\$	47,109
Investments		320,451
Ad Valorem taxes receivable:		
Terrebonne Parish		4,519
Lafourche Parish		48,155
Due from tax collector:		
Terrebonne Parish		141,766
Lafourche Parish		119,863
Due from State of Louisiana		
Terrebonne Parish		3,415
Lafourche Parish		4,849
Prepaid Insurance		8,236
Deposits		75,000
Miscellaneous		5,716
TOTAL ASSETS	\$	<u>779,079</u>

LIABILITIES AND EQUITY

Accounts payable	\$	13,915
Deferred revenue:		
Terrebonne Parish		149,954
Lafourche Parish		182,845
TOTAL LIABILITIES		<u>346,714</u>

FUND BALANCE

Unreserved - Undesignated	<u>432,365</u>
TOTAL FUND BALANCE	<u>432,365</u>

**RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET
ASSETS:**

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Add - Capital Assets	939,478	
Deduct - Accumulated Depreciation	<u>(410,279)</u>	529,199

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - Accrued Interest on Bonds Payable	(2,259)
Deduct - Long-term debt due within one year	(20,280)
Deduct - Long-term debt due in more than one year	<u>(43,277)</u>
Net assets of governmental activities	<u>\$ 895,748</u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund - General Fund
For the Year Ended December 31, 2009

REVENUES

Ad Valorem Taxes	
Terrebonne Parish	\$ 154,984
Lafourche Parish	163,413
Intergovernmental:	
State Revenue Sharing	
Terrebonne	5,220
Lafourche	7,312
Fire Insurance Tax	25,476
Interest	2,480
Miscellaneous	235
TOTAL REVENUES	<u>359,120</u>

EXPENDITURES

General government - current:	
Ad valorem tax deductions	11,662
Ad valorem tax adjustments	3,537
	<u>15,199</u>
Public safety - current:	
Workmen's Comp Insurance	1,645
Office supplies	1,247
Gasoline/Diesel/Oil	3,340
Operating supplies	2,650
Fire Hose Purchases	14,506
Firefighter Turnout Gear	345
2% Fire Ins Reb Exp (Uniforms)	854
Utilities	3,411
Telephone	2,359
General Liability Insurance	3,719
Management Liability Insurance	408
Vehicle insurance	13,334
Building & Equipment Insurance	2,995
Audit Fees	2,800
Other fees	3,482
Membership dues	125
Travel & Training	1,097
Community relations	4,400
Accounting fees	6,145
E-911 Fire Dispatch Services	986
Building Repairs & Maintenance	4,896
Communication Equipment Repairs	1,425
Truck Repairs & Maintenance	9,129
Equipment Repairs & Maintenance	8,613
Total public safety - current	<u>93,911</u>
Debt Service:	
Principal retirement	66,354
Interest and fiscal charges	5,336
Total debt service	<u>71,690</u>
Capital expenditures	<u>78,141</u>
TOTAL EXPENDITURES	<u>258,941</u>
Excess (deficiencies) of revenues over expenditures	100,179
FUND BALANCE	
Beginning of year	332,186
End of year	<u>\$432,365</u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT

**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2009**

Net change in fund balances \$ 100,179

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - Capital outlay	78,141	
Deduct - Depreciation expense	<u>(71,145)</u>	6,996

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds.

Add - Principal payment on long-term debt	66,354
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Accrued interest expense on debt and the amortization of bond issuance costs, are not recorded by governmental funds, but are reported under interest and fiscal changes for purposes of net assets.

Add - Decrease in accrual for Interest Payable	2,052
Change in net assets - governmental activities	<u><u>\$ 175,581</u></u>

See notes to financial statements.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

INTRODUCTION

The Bayou Blue Fire Protection District (the District) encompasses all of the territory within the previously described boundaries of the Lafourche Parish Fire Protection District No. 5 and the Bayou Blue Fire Protection District, now named the "Bayou Blue Fire Protection District of the Parishes of Terrebonne and Lafourche". In accordance with the provisions of R.S. 40:1496(H), the Board of Commissioners are comprised of seven (7) resident property taxpayers of the District, three of which are electors and residents of said District from Terrebonne Parish and four of which are residents of said District from Lafourche Parish. Each term of office is for a length of two (2) years.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Under Governmental Accounting and Financial Standards Section 2100, the financial reporting entity consists of the primary government and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government are financially accountable. The criteria used in determining whether financial accountability exists include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or;
 - b. The potential for the organization to provide specific financial benefits to or imposes specific financial burdens on the council. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

B. Reporting Entity (continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District is considered a component unit of the Lafourche Parish Council, if applying the criteria above. This decision is based on the fact that the Lafourche Parish Council appoints the voting majority of the Board of Commissioners of the District.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are as follows:

Governmental Fund Type

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance.

In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

- General Fund - The General Fund is used to account for all financial resources and expenditures except those required to be accounted for in other funds.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

- **Revenues** – Ad valorem taxes and the related state revenue sharing are recorded as revenue in the period for which levied, thus the 2008 property taxes which were levied to finance the 2009 budget are recognized as revenue in 2009. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable or available until actually received.
- **Expenditures** – The major expenditures current public safety supplies, insurance and audit and accounting fees are recorded when payable or when the fees are incurred.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Measurement Focus / Basis of Accounting (continued)

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

- **Program Revenues** - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Operating Budgets

As required by Louisiana Revised Statutes, The Board of Commissioners adopted a budget for the District's General Fund. The Board must approve any amendment involving the transfer of monies from one function to another, or increases in expenditures. The district amended its budget for the year ended December 31, 2009 as required. All budgeted amounts that are not expended or obligated through contracts lapse at year-end. The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

G. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

H. Receivables

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

I. Capital Assets

Capital assets are recorded at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

CATEGORY	LIFE
BUILDINGS	40 YEARS
TRUCKS	20 YEARS
MACHINERY & EQUIPMENT	5 YEARS

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

J. Restricted Net Assets

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- imposed by law through constitutional provisions or enabling legislation.

K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

Note 2 DEPOSITS AND INVESTMENTS

Deposit balances at year end are as follows:

	Per Bank	Reported
Cash	\$49,427	\$47,109
Certificates of Deposit	200,000	200,000
Totals	\$249,427	\$247,109

State law requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the District or with an unaffiliated bank or trust company for the account of the Bayou Blue Fire Protection District.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 2 DEPOSITS AND INVESTMENTS (continued)

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. At year end none of the bank balance was exposed to custodial credit risk.

Investments:

Investment balances and maturities at year end are as follows:

Investment Type	As Reported	Fair Value	Maturity
Certificates of Deposit	\$200,000	\$200,000	
Louisiana Asset Management Pool (LAMP)	120,451	120,451	Less than one year
Totals	\$320,451	\$320,451	

Interest rate risk inherent in the portfolio is measured by monitoring the segmented time distribution of the investments in the portfolio. For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission. LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or back by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 2 DEPOSITS AND INVESTMENTS (continued)

The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost, which approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 3 AD VALOREM TAXES

As provided by R.S. 40:1492(C) the existing ad valorem millage rate levied in the District were extended to the expanded area encompassed and described in the Parishes of Terrebonne and Lafourche as provided by said statutory provision.

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in both Parishes. Assessed values are established by the Terrebonne and Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2008. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2008 on which the 2009 assessment was \$10 per \$1,000 of assessed valuation on property within Bayou Blue Fire Protection District (in both Terrebonne and Lafourche Parishes) for the purpose of acquiring, constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes, including fire hydrant rentals and service.

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 4 CAPITAL ASSETS

Information about capital assets and depreciation for the year are summarized as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
DEPRECIABLE ASSETS:				
Machinery & Equipment	\$128,010	\$78,141		\$206,151
Vehicles	733,328			733,328
Total Cost of depreciable assets	861,337	78,141		939,478
ACCUMULATED DEPRECIATION:				
Machinery & Equipment	72,918	16,899		89,817
Vehicles	266,216	54,247		320,463
Total accumulated depreciation	339,134	74,145		410,279
Net depreciable assets	\$522,203			\$529,199

Depreciation Expense of \$74,145 was recorded in the governmental activities.

NOTE 5 CAPITAL LEASE OBLIGATIONS

The following is a summary of changes in debt outstanding as of December 31, 2009:

	Balance 12/31/08	Additions	Reduction/ Adjustment	Balance 12/31/09
Capital leases	\$129,912	\$0	\$ 66,354	\$63,558

BAYOU BLUE FIRE PROTECTION DISTRICT
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2009

NOTE 5 CAPITAL LEASE OBLIGATIONS (continued)

The District entered into another capital lease agreement for financing the acquisition of a fire truck in 2008. The lease agreements qualify as capital leases; therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception as a capital asset in the amount of \$287,742. Annual payments are due on March 13th of each year. The interest rate on the amount financed is 4.40% per annum. The following is a schedule of future minimum lease payments under the capital lease agreement and the present value of the net minimum lease payments:

Year	Principal	Interest	Total
2010	\$20,280	\$2,797	\$23,077
2011	21,173	1,904	23,077
2012	22,105	972	23,077
Totals	\$63,558	\$5,673	\$69,231

Note 6 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed and also participates in the Parish's risk management program for auto liability. The District's premiums for auto liability are based on claims experience, vehicle type and mileage. The Parish handles all claims filed against the District.

Note 7 COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended December 31, 2009.

***REQUIRED SUPPLEMENTAL
INFORMATION***

BAYOU BLUE FIRE PROTECTION DISTRICT

Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2009

	Budgets			Variance
	Original	Final	Actual	Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes:				
Terrebonne Parish	\$ 154,984	\$ 154,980	\$ 154,984	\$ 4
Lafourche Parish	159,157	163,410	163,413	3
Intergovernmental:				
State Revenue Sharing:				
Terrebonne Parish	6,000	5,220	5,220	-
Lafourche Parish	8,000	7,310	7,312	2
Fire Insurance Tax	20,000	25,475	25,476	1
Interest	3,000	955	2,480	1,525
Miscellaneous	-	202	235	33
TOTAL REVENUES	351,141	357,552	359,120	1,535
EXPENDITURES				
General government - current:				
Ad valorem tax deductions	11,200	10,520	11,662	(1,142)
Ad valorem tax adjustments	1,700	4,688	3,537	1,151
Total general government - current	12,900	15,208	15,199	9
Public safety - current:				
Wages & Benefits	25,000	2,100	1,645	
Office supplies	2,000	1,500	1,247	253
Gasoline/Diesel/Oil	15,000	4,100	3,340	760
Operating supplies	15,000	3,500	2,650	850
Fire Hose Purchases	15,000	20,000	14,506	5,494
Firefighter Turnout Gear	15,000	1,200	345	855
2% Fire Ins Reb Exp (Uniforms)	4,000	1,200	854	346
Utilities	7,500	3,300	3,411	(111)
Telephone	4,000	2,600	2,359	241
General Liability Insurance	4,000	3,720	3,719	1
Management Liability Insurance	600	410	408	2
Vehicle insurance	13,000	13,350	13,334	16
Building & Equipment Insurance	4,000	3,250	2,995	255
Audit Fees	1,000	2,800	2,800	-
Other fees	10,000	4,350	3,482	868
Membership dues	500	500	125	375
Travel & Training	5,000	1,250	1,097	153
Community relations	3,500	4,500	4,400	100
Accounting fees	5,400	6,100	6,145	(45)
E-911 Fire Dispatch Services	1,000	990	986	4
Building Repairs & Maintenance	10,000	6,000	4,896	1,104
Communication Equipment Repairs	3,000	2,000	1,425	575
Truck Repairs & Maintenance	10,000	14,000	9,129	4,871
Equipment Repairs & Maintenance	7,000	9,800	8,613	1,187
Total public safety - current	180,500	112,520	93,911	18,154
Capital expenditures	58,000	233,500	78,141	155,359
Debt Service:				
Principal retirement	66,354	66,354	66,354	-
Interest and fiscal charges	5,336	5,337	5,336	1
Total debt service	71,690	71,691	71,690	1
TOTAL EXPENDITURES	323,090	432,919	258,941	173,523
Revenues over (under) expenditures	28,051	(75,367)	100,179	175,546
FUND BALANCES				
Beginning of year	293	332,186	332,186	-
End of year	<u>\$28,344</u>	<u>\$256,819</u>	<u>\$432,365</u>	<u>\$175,546</u>

***REPORTS REQUIRED BY GOVERNMENT
AUDITING STANDARDS***



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners of
Bayou Blue Fire Protection District

We have audited the financial statements Bayou Blue Fire Protection District; a component unit of Lafourche Parish Government as of and for the year ended December 31, 2009, and has issued our report thereon dated May 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bayou Blue Fire Protection District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bayou Blue Fire Protection District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bayou Blue Fire Protection District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a remote possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bayou Blue Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Commissioners, management the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, LA
May 4, 2010



Bayou Blue Fire Protection District
Of the Parishes of Terrebonne and Lafourche, State of Louisiana
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2009

We have audited the financial statements of Bayou Blue Fire Protection District as of and for the year ended December 31, 2009, and have issued our report thereon dated May 4, 2010. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards N/A

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐

For Major Programs Disclaimer ☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs:

CFDA Number (s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

Section II Financial Statement Findings

NONE

Section III Federal Award Findings and Questioned Costs

N/A

